

May 3, 1999

NOTICE OF HIP of NJ, Inc. PROOF OF CLAIM

Dear Sir/Madam:

On March 5, 1999, the Honorable Jack Lintner, Judge of the Superior Court, granted the request of the Commissioner of Banking and Insurance to liquidate HIP Health Plan of New Jersey ("HIP of NJ, Inc.") and to terminate all its health care contracts effective March 31, 1999. Judge Lintner signed an Order of Liquidation on April 9, 1999 that appoints the Commissioner of Banking and Insurance as the Liquidator of HIP of NJ, Inc., describes the Commissioner's duties and powers in conducting the liquidation, and procedures to be used to resolve claims. A copy of the Order of Liquidation is enclosed for your records.

Paragraphs 12 and 13 of the Order of Liquidation describe the Commissioner's duty to give notice of the liquidation to those who may have claims against HIP of NJ, Inc. This letter is your notice under the Order of Liquidation. Please take the time to carefully review the information in this letter and the enclosures. We will outline the most important information for you.

A Proof of Claim Form is attached.

If you have a claim against HIP of NJ, Inc. or believe you may have a claim against HIP of NJ, Inc., **you must complete and submit the attached Proof of Claim Form.** You have a claim if you know or believe that HIP of NJ, Inc. owes you money. Filing a claim is the only way you can preserve your right to bring an actual or potential claim against HIP of NJ, Inc. Please complete the Proof of Claim Form as best you can and if information is not available, such as the amount of the claim, please indicate that on the Form.

The Proof of Claim Form together with documentation in support of your claim **must be filed with HIP of NJ, Inc. by August 7, 1999** at the address indicated at the bottom of the Proof of Claim Form. The Liquidator may contact you if additional information is needed. If you do not file this Proof of Claim Form by **August 7, 1999**, your claim will be barred. That means you will not receive any payment unless all other claims owed by HIP of NJ, Inc. are first paid in full and then only if the Commissioner as Liquidator of HIP of NJ, Inc. permits payment of your claim.

After all claims have been submitted and reviewed, the Commissioner will be able to determine the extent to which the claims can be paid from the assets of HIP of NJ, Inc. You will be advised of the Commissioner's plan to make payment on claims when that plan is presented to the court for approval. The

earliest that the plan might be submitted to the court would be in late 1999. However, that date is dependent upon the receipt and review of all claims from all creditors.

A postcard acknowledging receipt of your Proof of Claim Form will be sent to you within 30 days.

Finally, if you have any questions about this process or about how to fill out the Proof of Claim Form,* please call HIP of NJ, Inc. at **1-800-240-7524** during regular business hours (Monday - Friday, 9-5).

Very truly yours,

Deputy Liquidator
HIP of NJ, Inc. in Liquidation

* The Proof of Claim Form can be photocopied or downloaded from the following websites:
New Jersey Department of Banking and Insurance: www.naic.org/nj/njhomepg.html
Association of Health Plans: www.njahp.org
New Jersey Medical Society: www.msnj.org